

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 293 - SB 558**

April 5, 2023

**SUMMARY OF BILL:** Increases, from 50,000 to 60,000 gallons, the maximum number of gallons of wine for which wineries and farm wine producers pay taxes on, during a calendar year at their licensed facilities, before being required to obtain wine provided at their satellite facilities from a licensed wholesaler.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Any decrease in state and local revenue cannot be reasonably determined.**

Assumptions:

- Pursuant to Tenn. Code Ann. § 57-3-207(r)(6)(A), if a licensed wine or farm wine producer pays taxes on more than 50,000 gallons of wine during a calendar year, and the wine or farm wine producer operates a satellite facility, the wine or farm wine producer is required to obtain wine provided at their satellite facilities from a licensed wholesaler.
- The proposed legislation would increase this threshold to 60,000 gallons.
- Based on information provided by the Alcoholic Beverage Commission, there are 28 wineries that are satellite license holders.
- Increasing the threshold to 60,000 gallons of wine may allow some wineries to avoid purchasing wine from a licensed wholesaler, which would create a decrease in state and local revenue from the alcoholic beverage wholesale tax; however, the number of wineries that would no longer purchase wine from a licensed wholesaler as a result of the proposed legislation is unknown and cannot be reasonably determined.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

Krista Lee Carsner, Executive Director

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